



Rule Up For Final Action

Proposed Amendment to

Amended Section WAC 230-40-825

Closed circuit television system – House-banking.

ITEM 11 (a) on the November 19, 2004, Commission Meeting Agenda. Statutory Authority 9.46.070

Who proposed the rule change?

Robert Dayton.

Why is this rule change needed?

At the August meeting, the Commission filed a Petition for Rule Change submitted by Robert Dayton. After discussion at the September meeting, Mr. Dayton withdrew his petition with the understanding that staff would continue to move forward with his request and provide a recommendation or alternative solution. Staff recommends that the Commission move forward with Mr. Dayton's proposed amendment.

This rule requires payouts of \$500 or more, in house-banked card games, to be verified by surveillance cameras. Recorded surveillance must be able to identify the cards in the winning hand, the amount of the wager, and the player that won. Mr. Dayton requested this amount be increased to \$1,000.

Closed circuit television requirements, for house-banked card games, were first adopted in April 2000. Fixed camera coverage was required on all tables with "sufficient coverage and clarity to simultaneously view the table bank and determine the configuration of wagers, card values and game outcome." During the next year, licensees found it difficult to find fixed cameras that provided sufficient coverage and clarity. At the request of licensees, this rule was amended in June 2001, to reduce fixed camera requirements and allow PTZ (Pan, Tilt, Zoom) cameras to verify winning payouts. It is difficult to capture wage configurations (the value and number of chips in a stack) with fixed overhead cameras; therefore, it is important that PTZ cameras are used to record large payouts. This protects the house from dealers overpaying prizes, and players from being underpaid.

Staff surveyed five card rooms and found that payouts over \$500 ranged from 3 to 213 times a month. Payouts over \$1,000 ranged from 0 to 42. Three card rooms did not have any payouts over \$2,500; one had two payouts over \$2,500; and one had eight payouts over \$2,500.

Because the risk is not substantial and the oversight is sufficient, staff feel owners and players can be protected at the \$1,000 level. Staff has no regulatory concerns with the increase. Licensees continue to have the option to require hands under \$1,000 to be verified by surveillance, by including the lower limit in their internal controls.

Attached:

- 1) Proposed amendment to WAC 230-40-825
- 2) Petition for Rule Change
- 3) E-mail dated September 21, 2004, from Mr. Dayton withdrawing his petition and asking staff to move forward with his request and provide a recommendation or alternative solution.
- 4) Letter dated October 29, 2004, to Mr. Dayton informing him of the November 2004, Commission meeting.

Statements regarding the proposed rule change.

At the August Study Session, the Recreational Gaming Association noted the increase should be \$2,500.

Which licensees will be directly impacted?

House-banked card rooms.

What are the potential impacts to the agency?

Minimal.

Staff recommendation.

Adoption.

Effective date.

January 1, 2005.